

MONTANA BOARD OF HORSE RACING
BOARD MEETING
9:30 A.M., June 8, 2010
MONTANA LOTTERY CONFERENCE ROOM
2525 NORTH MONTANA AVE, HELENA, MT

APPROVED MINUTES

ATTENDANCE:

Al Carruthers	Chairman	Mike Tatsey	Board Member
Susan Egbert	Board Member	Shawn Real Bird	Board Member
Topper Tracy	Board Member	Sue Austin	Board Member

Carol Lambert Board Member, attended by phone

Ryan Sherman	Executive Secretary	Sherry Meador	Legal Counsel
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PUBLIC IN ATTENDANCE: Tom Williams, Bill Salina, Janis Schoepf, Zak Kelsey

Lou Wojciechowski and Ben Carlson attended by phone.

CALLED TO ORDER: Chairman Carruthers called the meeting to order at 9:35 am

MINUTES: Member Tatsey moved to approve April minutes. Member Egbert seconded the motion. Motion passed

EXECUTIVE SECRETARY'S REPORT: Fantasy Sports update shows \$38,000 handle as of June 6th. MBHR has received \$6211 from FS in 2010.

Record handle in ADW since 7/1/09 (consistent with fiscal year) \$35,207 for MBHR with 2 more months of reporting due – doesn't include Derby handle for TVG.

Simulcast was up 5.5% on Derby, down 6% on Preakness, Belmont not expected to be up.

LIVE RACE MEET REPORTS:

A. Miles City Race Meet.

– \$114,000 for total handle over four days, \$13,000 increase over 2009. Problem with power loss during Preakness. Quarter Horse futurity was up \$9000. A lot of Montana Bred horses starting to come back to us.

-- An extra fee was assessed by the track for jockey insurance. Chairman Carruthers received three complaints about the fee. MBHR pays jockey insurance and Miles City racing will reimburse trainers for fees collected.

-- Problem with starter. He didn't show up until 2 minutes prior to post. Gate didn't function properly in one race as a result of poor maintenance by Starter. Board has been

assured that there will be steps taken to improve the starting gate operations in 2011. Chairman Carruthers suggested having same gate crew/starter at all the race meets if possible.

-- Gate crew and riders tested for alcohol prior to and during race meet. Two riders were dismissed for the day because of alcohol and fined \$500.

-- Member Real Bird suggested Board consider fining Starter for misconduct. Ryan said formal complaint was filed against Starter on last day. Hearing is pending before the Board.

-- Chairman Carruthers said race office should provide a clear accounting to horsemen the various costs being assessed for jock-mounts, etc.

-- Member Real Bird moved that the Board require the Miles City Race meet to correct the fact of overcharging for jockey insurance and reimburse fees. Ryan will confirm correction. Member Egbert seconded the motion. Motion passed.

B. Great Falls Race Meet

-- Condition books with letters went out past week and race meet has extended entries to the 15th of June.

-- Norm Amundson has chosen not to serve as racing secretary for Montana Downs. Dyane Diedrickson has alternative racing secretary/announcer, John Petti, from Boise ID who has agreed to serve at both Great Falls and Missoula if Norm does not change his mind.

Lou expressed concern that it was not the Board's duty to hire racing officials. Member Lambert suggested that if the track manager was not doing what was appropriate, it was the Board's position to try to insure it is a good meet. Chairmen Carruthers agreed that the Board's ultimate goal is to support live racing in Montana most effectively.

Board discussed moving to a different agency to be more effective at supporting live horse racing. Sherry reported that Viv Hammill called and said the Governor's cabinet discussed the Board's request to change agencies and concluded that it would not be a good time for such a change given that this upcoming session is predicted to be very contentious. There is an underlying belief at the legislature that the Governor is trying to get rid of Dept of Livestock and that moving MBHR out of Livestock is a step in that direction. Viv was willing to sit down with the Board and Livestock's Director to ensure that the Board was being treated appropriately by the DOL's staff. The Board needs to clarify what it wants out of DOL.

Chairman Carruthers wants clarification that the MBHR's executive director works for the MBHR. Sherry stated that by statute the ED is an employee of DOL but works under the direction of MBHR. It would require a statutory change to become an employee of

the Board -- must be careful of introducing legislation that can open the Board's statutes to unwanted amendments.

Member Tatsey suggested the Board invite members of the DOL to come to MBHR's meetings, and if there are still problems with accounting, the Board needs to address those directly with DOL. Ryan said DOL has new employees with accounts payable who have actually been watching over MBHR's accounting. Still need a directive from Governor's office to head of accounting saying that the Board's needs are important. Other boards within DOL are having the same issues with DOL's accounting department.

Member Real Bird suggested the MBHR meet with the Governor's office to discuss issues concerning MBHR. Member Tracy encouraged the board members to start talking with their local legislators. Member Egbert moved that MBHR meet with the Governor's office to discuss the complaints that have been brought to the floor. Member Tatsey seconded. Motion passed.

In reference to Great Falls race meet, Ryan clarified for Member Egbert that Spector is adamant about bringing his own people to Montana to support the racing secretary. Ryan said John Petti is a competent racing secretary and is well aware of what he's getting into with Montana Entertainment. He is also able to work effectively with the horsemen.

The Board discussed Spector's lack of promotion at Great Falls or Missoula at this time. Chairman Carruthers and Member Tracy noted Billings' race meet has been well advertised.

Ryan informed the Board that Spector reported that he was splitting the costs with County for manure removal, stall repair and road improvement. Lisa Bracco confirmed Spector's agreement. The signed agreement is included in the Board's packet. Ryan will be reviewing Great Falls' progress starting tomorrow and will continue on a regular basis.

There 55 horses training at Great Falls currently. There were 65 horses for spring training at Billings with about 30 remaining. Miles City had spring training as well.

Great Falls condition books have been re-ordered and Ryan will distribute them, if Spector doesn't do so, at the Idaho Falls Race Meet.

Member Real Bird asked about deadlines for appointments of racing officials. Ryan stated that the rules provide that racing officials must be named 30 days prior to the race meet.

C. MISSOULA RACE MEET

-- Conditions have been rough drafted and will be posted on Equibase soon.

Thoroughbred claiming series was left off. They will have Bonus Challenge race for older quarter horses in GF, MSL and YD through partnership with AQHA Challenge. John Petti will continue with Norm's condition book.

--The Turf Club is helping with advertisements and sponsorships.

D. YELLOWSTONE DOWNS

--Conditions are on Equibase for first two weekends in Billings. Conditions, stall applications and stakes schedules are all out for YD. YD is deep into their sponsorship drive. YD will host Diamond Classic Futurity and Derby from Intermountain Region previously in WY. Brought new horsemen from ID and Utah.

--Ben stated they are going to have plenty of horses this year. Chairman Carruthers commended Ben on their good work.

There was a question about Montana Downs' ability to step away within 60 days of race meet. Sherry reviewed contract and reported that there was a 60 day walk-out provision in the contract but that date is as of June 13th. Notice must be provided in writing. Lou commented that the Turf Club is a strong organization that can do a lot.

NEW BUSINESS:

A. Subcommittee Progress -- Ryan will be working on subcommittees given that Miles City has been wrapped up. All subcommittee members have been noticed.

-- Banquet subcommittee meeting in Great Falls.

--Fantasy sports subcommittee met that morning with Montana Lottery and saw plans for new machines to be introduced in the fall that will make it easier to play. There was discussion about new games. Member Tatsey said he thought they should wait to see how the new machines work this fall before introducing new games.

B. Rule Changes

-- Rule 32.28.801(26) -- A maiden 7 year old or solder should be eligible to enter or start in any race if certain conditions are met. Member Egbert moved to propose the new rule. Member Tracy seconded the motion. Motion passed.

--Rule 32.28.804(24)(25) -- Member Egbert moved that subsection (25) be deleted -- all conditions will follow a horse and not started over when claimed. Member Tracy seconded the motion. Motion passed.

C. 2011 Legislative Update

--Legislation will be proposed to provide MBHR the ability to contract with a simulcast network provider. With contracts, MBHR can find a network provider through a more effective process and can require conditions to the contract -- would also include the option for the Board to provide simulcast if in the best interest of horseracing.

D. Kalispell Update and Discussion

Janis Schoepf reported to the Board that a new fair manager was recently appointed in Kalispell and is in support of racing. She presented a proposed budget to the Board for a Northwest Montana Fair Race Meet Saturday August 21st and Sunday August 22nd. The proposal included paid and volunteer staff, advertisement, pari-mutual expenses/revenues, officials and sponsors. Handle would go back into purses for that meet.

The Board requested a completed application with details as to sponsorship dollars and actual costs to host meet. Member Tatsey moved that the board will review proposed application at conference call the following week. Member Austin seconded. Motion passed.

Member Real Bird moved that the Board write a letter to the Governor's office requesting assistance with funding, if necessary, for Kalispell race meet. Member Austin seconded. Motion passed.

PUBLIC COMMENT:

ADJOURNMENT: Member Tatsey moved to adjourn. Member Egbert seconded the motion. Motion passed.

The meeting was adjourned at 12:30 p.m.

Signature

Date